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6 May, 1946.

CENTRAL INTELLIGENCE GROUP

INTERIM SURVEY OF THE COLLECTION OF
INTELLIGENCE INFORMATION IN CHINA

Reference: C.I.G. Directive No. 5

Memorandum by the Director of Central Intelligence

1. Pursuant to the provisions of C.I.G. Directive No. 5, the Central Planning Staff, C.I.G., has made a survey of the Collection of Intelligence Information in China and has submitted a report to the Director of Central Intelligence. The substance of that report is included in the "Enclosure" and Appendix "B" hereto.
2. After consideration of the report, the enclosed and appended papers have been prepared as a basis for action in this matter.
3. It is therefore recommended that the Intelligence Advisory Board concur in the submittal of the "Enclosure" for consideration by the National Intelligence Authority.

SIDNEY W. SOUERS,
Director.

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E N C L O S U R E

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NATIONAL INTELLIGENCE AUTHORITY

INTERIM SURVEY OF THE COLLECTION
OF INTELLIGENCE INFORMATION IN CHINA

Report by the Director of Central Intelligence
with the unanimous concurrence of the
Intelligence Advisory Board

1. During the war, the collection of intelligence information in China was accomplished by a number of agencies, both overt and covert.

2. After consideration of all evidence submitted in the case, the Director of Central Intelligence concludes that:

a. The disintegration of the Army, the dissolution of NavGroup China, the uncovering of clandestine operators and the closing of the China Theatre have impaired seriously the facilities for collecting intelligence information in China and have created an urgent need for the establishment of an organization or organizations to perform the functions of the agencies which have disappeared or become no longer useful.

b. This necessity grows out of the double requirement which exists in the China area, for:

- (1) Collecting intelligence information on Chinese intentions and trends, particularly in view of the strong Communist influence in parts of China proper and;
- (2) Collecting intelligence information on Russian intentions and trends, both with regard to China itself and the position of the United States in the Far East.

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c. Essential portions of an adequate organization are:

- (1) A strong Military-Naval Attache system with headquarters in the Chinese National Capital and Assistant Attaches in strategic locations;
- (2) Normal State Department facilities for overt collection of political and economic intelligence information;

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d. Nuclei susceptible of development into an adequate organization exist and should be developed as outlined in the "Discussion" (Enclosure B). This development includes:

- (1) Expansion of the Military Attache and Naval Attache and State Department establishments;

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e. Personnel of SSU (including both SI and X-2) now in China and contiguous countries have been uncovered and must be withdrawn. Such withdrawal can be accomplished, in general, in not over ninety days.

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f. Since planning problems concerning both Information and Security are involved, the action indicated in e. above should be carried out by a committee from C.I.G. including the senior representative of the Director of Central Intelligence with SSU, and two members of the Central Planning Staff representing Information and Security Branches.

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3. The enclosed draft N.I.A. Directive has been prepared to provide the means for carrying out the recommendations based upon the above conclusions. It has been unanimously concurred in by the Director of Central Intelligence and the Intelligence Advisory Board.

4. It is recommended that the National Intelligence Authority approve the draft directive in Enclosure "A" (Appendix "A" hereto).

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Enclosure

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APPENDIX "A"

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PROPOSED N.I.A. DIRECTIVE

INTERIM PROVISION FOR THE
COLLECTION OF INTELLIGENCE INFORMATION
IN CHINA

Pursuant to paragraph 1 of the letter from the President, dated 22 January 1946, which designated this Authority as responsible for planning, developing, and coordinating the Federal foreign intelligence activities so as to assure the most effective accomplishment of the intelligence mission related to the national security, the following policies and procedures to provide for the collection of intelligence information in China, on an interim basis, are announced:

1. The Military Attache establishment in China will be expanded sufficiently to permit the location of branch offices under Assistant Military Attaches in selected strategic locations. This expanded M/A establishment will be headed by a General Officer and will provide for a minimum strength of 22 Officers, 2 Warrant Officers, 37 Enlisted Men, and 5 Civilian Translators.

2. The Naval Attache establishment in China will be expanded sufficiently to permit the location of branch offices under Assistant Naval Attaches in selected Strategic ports. This expanded N/A establishment will be headed by an Officer of Flag rank and will provide for a minimum strength of 22 Officers, 2 Warrant Officers, 37 Enlisted Men, and 5 Civilian Translators.

3. The reporting staff of the State Department mission in China will be expanded as need for additional officers develops.

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APPENDIX "A"

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5. The coordination of the collecting efforts of the agencies described in 1, 2, 3, and 4 above will be the responsibility of the Director of Central Intelligence, who will accomplish this coordination through the promulgation of appropriate directives.

6. The SSU activities in China and contiguous territories will be completely liquidated within a period of ninety days from the date of this Directive. Such liquidation will be accomplished by a committee designated by the Director of Central Intelligence.

7. The State, War and Navy Departments will take the necessary steps to implement the foregoing policies and procedures.

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APPENDIX "A"

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APPENDIX "B"

DISCUSSION

1. Two plans for organizing post-war intelligence activities in China have been presented by the office of A.C. of S., G-2, W.D.G.S. to Central Intelligence Group for study, comment and recommendation. The first of these plans, dated 30 November, 1945, was prepared in Headquarters, U.S. Forces in China. The second plan, dated 15 March, 1946, was prepared in the same Headquarters, but by different personnel. It amends and expands the first plan.

2. Since the basic problem involved in these plans - as in any plan designed to achieve the same purpose - is planning for the collection of intelligence information, the Central Planning Staff was charged with the study and directed to conduct a Survey under C.I.G. Directive No. 5, dated 29 March, 1946.

3. In the course of the Survey, the following categories of personnel have been interviewed many times:

- a. Officers of the Navy with rich backgrounds of China experience;
- b. Officers of the Army with rich backgrounds of China experience;
- c. Officials of the State Department with knowledge of China;
- d. Officials of SSU with knowledge of the operations of that organization and its predecessor, OSS, in China.

4. Opinions of members of each category have been checked with members of the other categories and the arguments presented hereafter represent the majority opinion of experienced China operators in every case.

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5. Essential portions of a planned intelligence information collecting program are:

- a. Military Attache establishment with Headquarters connected with the Embassy in the Capital, and Assistant Attaches with appropriate Staffs at several strategic points;
- b. Naval Attache establishment similar to the M/A establishment and working closely therewith, but with Assistant Attaches and their Staffs at strategic ports rather than at inland points;
- c. Normal State Department facilities for overt collection of intelligence information in political, economic and financial fields;

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6. The present Military Attache establishment consists of: 10 Officers; 1 Warrant Officer; 9 Enlisted Men. The present authorized strength is: 15 Officers; 2 Warrant Officers; 10 Enlisted Men. The recommendation of G-2, China Theatre, concurred in by Far East Branch, M.I.D. and C.I.G., is that this M/A establishment should be expanded to include: 22 Officers headed by a General Officer; 2 Warrant Officers; 37 Enlisted Men and; 5 civilian translators.

7. The present Naval Attache establishment consists of 18 Officers, of which 4 are under orders for detachment, leaving a net total of 14 Officers. It has not been possible to ascertain the exact number of Warrant and Enlisted personnel, due to the current movements of personnel of those categories. The N/A establishment should be expanded to correspond to the recommended M/A expanded strength.

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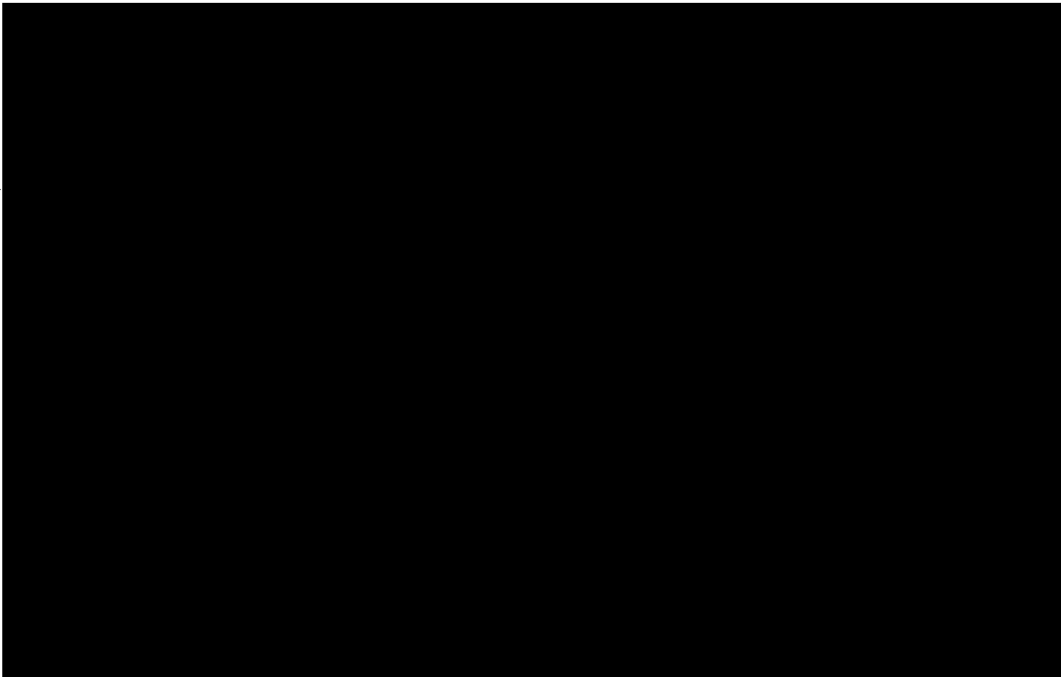
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APPENDIX "B"

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8. The relative merits of agencies which operated covertly during the war are not germane to this study and will not be discussed. Each agency, whatever its name and official connection, operated with a favorable balance in the results achieved and each was an essential part of the complete information collecting effort.

9. NavGroup China has been dissolved and its parts have been scattered beyond possibility of re-assembly, even if such re-assembly were desirable.



12. The Director of Central Intelligence should coordinate the needs of the intelligence agencies subject to N.I.A. control and give direction to the effort indicated in 11, above. Such coordination and control should be exercised by the Director of Central Intelligence through a representative from the personnel of C.I.G., to be concurred in by the Director of Information, M.I.D.

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